

# GULCH MINES INC.

23RD ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1976

# GULCH MINES INC.

(the "Corporation")

## DIRECTORS

R. B. CAIRNS	-	-	-	-	-	-	-	-	-	Toronto, Ontario
J. A. GRANT	-	-	-	-	-	-	-	-	-	Toronto, Ontario
F. W. HEWITT	-	-	-	-	-	-	-	-	-	Toronto, Ontario
P. H. PAGE	-	-	-	-	-	-	-	-	-	Toronto, Ontario
S. H. ROBINSON, Q.C.	-	-	-	-	-	-	-	-	-	Toronto, Ontario

## OFFICERS

R. B. CAIRNS	-	-	-	-	-	-	-	-	-	-	President
J. A. GRANT	-	-	-	-	-	-	-	-	-	-	Vice-President
C. K. TAYLOR, Q.C.	-	-	-	-	-	-	-	-	-	-	Secretary
W. D. HOLDEN	-	-	-	-	-	-	-	-	-	-	Treasurer
I. WOLFE	-	-	-	-	-	-	-	-	-	-	Asst. Secretary

## MINE PROPERTIES

BLACK BAY, LAKE ATHABASKA, SASKATCHEWAN  
GERALDTON, ONTARIO

## REGISTRAR and TRANSFER AGENT

STERLING TRUSTS CORPORATION  
372 Bay Street, Toronto, Ontario M5H 2X2

## AUDITORS

DELOITTE, HASKINS & SELLS  
Toronto, Ontario

## COUNSEL

HOLDEN, MURDOCH, WALTON, FINLAY, ROBINSON  
Toronto, Ontario

## ANNUAL MEETING

The Annual Meeting of Shareholders of the Corporation will be held at the offices of the Corporation, 28th Floor, Toronto-Dominion Centre, Toronto, Ontario, Tuesday, May 3rd, 1977 at 2:00 o'clock in the afternoon, Toronto time.



# GULCH MINES INC.

(the "Corporation")

## *Directors' Report*

To the Shareholders:

The Directors submit herewith the Twenty-Third Annual Report of the Corporation, including Financial Statements and Auditors' Report for 1976.

No exploration work was carried out by the Corporation in 1976. Previous underground drilling on mineral leases on Black Bay, Lake Athabaska, Saskatchewan, outlined 201,000 drill indicated tons at a grade of 0.09%  $U_3O_8$  plus 315,000 possible tons at the same grade. This property and the patented gold claims at Geraldton, Ontario are being held in good standing.

On behalf of the Board

R. B. CAIRNS  
President

March 10, 1977

# GULCH

(Incorporated under the

## Balance Sheet as (with 1975 fi

### ASSETS

	<u>1976</u>	<u>1975</u>
<b>Current Assets:</b>		
Cash .....	\$ 7	\$ 386
Taxes recoverable .....	<u>1,506</u>	<u>—</u>
Total current assets .....	<u>1,513</u>	<u>386</u>
 <b>Net Exploration, Development and Other Expenditures</b>		
(Note 1) .....	<u>2,086,307</u>	<u>2,075,284</u>
 <b>TOTAL</b> .....	<u><u>\$2,087,820</u></u>	<u><u>\$2,075,670</u></u>

The accompanying notes are an integral part of the financial statements.

### AUDITORS' REPORT

To the Shareholders of  
Gulch Mines Inc.:

We have examined the balance sheet of Gulch Mines Inc. as at December 31, 1976 and the statements of net exploration, development and other expenditures and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1976 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

TORONTO, ONTARIO  
February 21, 1977

DELOITTE, HASKINS & SELLS  
Chartered Accountants



**INES INC.**

(Incorporated in the Province of Ontario)

**December 31, 1976**

(For comparison)

**LIABILITIES AND CAPITAL STOCK**

	<u>1976</u>	<u>1975</u>
<b>Current Liabilities:</b>		
Accounts payable and accrued charges .....	\$ 4,900	\$ 3,134
Loan from associated company .....	<u>12,841</u>	<u>2,457</u>
Total current liabilities .....	<u>17,741</u>	<u>5,591</u>

**Capital Stock (Note 3):**

Authorized:

3,000,000 shares without par value

Issued and fully paid:

1,188,973 shares .....	<u>2,070,079</u>	<u>2,070,079</u>
<b>TOTAL .....</b>	<u><b>\$2,087,820</b></u>	<u><b>\$2,075,670</b></u>

Approved by the Board:

R. B. CAIRNS, Director.

J. A. GRANT, Director.

# GULCH MINES INC.

## STATEMENT OF NET EXPLORATION, DEVELOPMENT AND OTHER EXPENDITURES

For the Year Ended December 31, 1976

(with 1975 figures for comparison)

	<u>1976</u>	<u>1975</u>
<b>Expenditures:</b>		
Exploration and development .....	\$ 1,524	\$ 117,893
Annual meeting and reports .....	1,868	4,090
Capital tax .....	2,869	5,157
Legal and audit .....	900	1,234
Interest:		
Associated company .....	662	—
Other .....	26	—
Office .....	98	960
Transfer agent and registrar .....	3,076	2,915
Total expenditures .....	<u>11,023</u>	<u>132,249</u>
Income — interest .....	—	2,541
Net Expenditures .....	<u>11,023</u>	<u>129,708</u>
Net Expenditures at Beginning of the Year .....	<u>2,075,284</u>	<u>1,945,576</u>
Net Expenditures at End of the Year .....	<u><u>\$2,086,307</u></u>	<u><u>\$2,075,284</u></u>

## STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Year Ended December 31, 1976

(with 1975 figures for comparison)

	<u>1976</u>	<u>1975</u>
Funds Provided — capital stock issued for cash .....	\$ —	\$ 100,000
Funds Applied — net exploration, development and other expenditures ..	<u>11,023</u>	<u>129,708</u>
Decrease in Working Capital for the Year .....	<u>11,023</u>	<u>29,708</u>
Working Capital (Deficiency) at Beginning of the Year .....	<u>(5,205)</u>	<u>24,503</u>
Working Capital (Deficiency) at End of the Year .....	<u><u>\$ (16,228)</u></u>	<u><u>\$ (5,205)</u></u>

The accompanying notes are an integral part of the financial statements.



# GULCH MINES INC.

---

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 1976

**1. Net Exploration, Development and Other Expenditures**

It is the policy of the company to defer all such expenditures.

**2. Income Taxes**


Accumulated exploration expenditures of approximately \$2,081,000 are available for application against taxable income of future years.

**3. Capital Stock Option**

One officer of the company has been granted an option to purchase 60,000 shares of the capital of the company at a price of 70¢ per share. This option expires December 31, 1977 and is subject to certain conditions.

**4. Anti-Inflation Act**

The Company is subject to the provisions of the Anti-Inflation Act and Regulations enacted by the Federal Government, effective October 14, 1975. Under this legislation certain restrictions are placed on prices, profit margins, compensation and dividends.



Digitized by the Internet Archive  
in 2023 with funding from  
University of Alberta Library

[https://archive.org/details/Gulc1741\\_1976](https://archive.org/details/Gulc1741_1976)



# GULCH MINES INC.

P.O. Box 28, Toronto-Dominion Centre

Toronto, Ontario

M5K 1B8

## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE is hereby given that the Twenty-Third Annual Meeting of Shareholders (the "Meeting") of GULCH MINES INC. (the "Corporation") will be held on Tuesday, the 3rd day of May, 1977, at the hour of 2:00 o'clock in the afternoon (Toronto time) at the offices of the Corporation, 28th Floor, Toronto-Dominion Centre, Toronto, Ontario, for the following purposes:

1. To receive the Directors' Report, the Auditors' Report and the Financial Statements for the year ended December 31st, 1976.
2. To elect Directors for the ensuing year.
3. To appoint Auditors for the ensuing year and to authorize the Directors to fix their remuneration.
4. To consider and deal with such other business as may properly be brought before the Meeting, or any adjournment thereof.

If you are unable to attend the Meeting and would like your shares represented, please complete, sign and return the enclosed form of proxy.

DATED at Toronto, this 29th day of March, 1977.

By Order of the Board

C. K. Taylor, Q.C.  
Secretary



# **GULCH MINES INC.**

**(the "Corporation")**

## **INFORMATION CIRCULAR**

This Information Circular accompanies the notice of the Annual Meeting of Shareholders (the "Meeting") of the Corporation to be held on Tuesday, the 3rd day of May, 1977 at 2:00 o'clock in the afternoon (Toronto time) and is furnished in connection with the mandatory solicitation of proxies by the management for use at the Meeting and at any adjournment or adjournments thereof. The cost of such solicitation will be borne by the Corporation.

### **VOTING OF PROXIES**

The shares represented by the form of proxy enclosed herewith will be voted. The enclosed form of proxy confers discretionary authority with respect to amendments or variations to matters identified in the notice of the Meeting and other matters which may properly come before the Meeting.

A Shareholder giving a proxy in the form enclosed has the power to revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the Shareholder or by his attorney authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited either at the head office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used or with the Chairman of the Meeting on the day of the Meeting, or adjournment thereof, and upon either of such deposits the proxy is revoked.

A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON TO REPRESENT HIM AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE FORM OF PROXY. TO EXERCISE THIS RIGHT THE SHAREHOLDER MAY INSERT THE NAME OF THE DESIRED PERSON IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY AND STRIKE OUT THE OTHER NAMES OR MAY SUBMIT ANOTHER FORM OF PROXY.

### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The Corporation's capital consists of 3,000,000 common shares without par value, of which 1,188,973 shares are outstanding each of which entitles the Shareholder to one vote.

Anglo American Corporation of Canada Limited ("Amcan"), through its wholly-owned subsidiary, Anglo American Corporation of Canada Exploration Limited, both of P.O. Box 28, Toronto-Dominion Centre, Toronto, Ontario, owns approximately 50.7% of the issued and outstanding shares of Tombill Mines Limited (of the same address); Tombill owns 448,215 (37.7%) of the issued and outstanding shares of the Corporation, which shares are deemed to be beneficially owned by Amcan. With the exception of these shares, no other person, to the knowledge of the Corporation, beneficially owns more than 10% of the Corporation's outstanding shares.

### **ELECTION OF DIRECTORS**

The management of the Corporation proposes to nominate for election as Directors at the Meeting the persons listed in the following table to serve until the 1978 Annual Meeting of Shareholders of the Corporation or until their successors are elected or appointed, unless any such person is not available to act as a Director, in which event a substitute may be nominated by the management of the Corporation.



All of the nominees are now members of the Board. Mr. R. B. Cairns was appointed a Director on September 30th, 1976, to succeed Dr. J. B. Howkins, whose resignation had been received by the Board.

<u>Name</u>	<u>Other offices held with the Corporation</u>	<u>Principal Occupation or employment</u>	<u>Director since</u>	<u>No. of Shares of the Corporation beneficially owned directly or indirectly</u>
Robert B. Cairns	President	Vice-President — Exploration of Hudson Bay Mining and Smelting Co., Limited (a natural resource company) since July 1976, General Manager — Exploration from June 1975 to July 1976, Chief Geologist from May 1973 to June 1975 and Superintendent — Eastern Exploration from July 1967 to May 1973.	1976	Nil
James A. Grant	Vice-President	Corporation Director	1954	200
Foster W. Hewitt		Chairman, Foster Hewitt Broadcasting Limited (CKFH)	1954	13,000
Peter H. Page		Assistant Treasurer, Hudson Bay Mining and Smelting Co., Limited	1974	Nil
Sidney H. Robinson, Q.C.		Partner in Holden, Murdoch, Walton, Finlay, Robinson (Barristers and Solicitors)	1957	1,400

#### REMUNERATION OF MANAGEMENT AND OTHERS

No remuneration was paid or is payable by the Corporation to Directors or to officers of the Corporation for the last completed financial year.

#### APPOINTMENT OF AUDITORS

It is proposed that Deloitte, Haskins & Sells, Chartered Accountants, be appointed Auditors of the Corporation to serve until the 1978 Annual Meeting of Shareholders. Forms of proxy given pursuant to this solicitation by the management of the Corporation will be voted for such appointment at a remuneration to be fixed by the Board of Directors.

#### GENERAL

The management of the Corporation knows of no matters to come before the Meeting other than the matters referred to in the notice of the Meeting. However, if any other matters which are not now known to the management of the Corporation should properly come before the Meeting, forms of proxy given pursuant to this solicitation by the management of the Corporation will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

C. K. TAYLOR, Q.C.  
Secretary

DATED as of the 10th day of March, 1977.

1. The first part of the document is a letter from the President of the United States to the Congress, dated September 17, 1787. It is a very important document, as it is the first official communication of the new government.

2. The second part of the document is a copy of the Constitution of the United States, as it was originally written. It is a very important document, as it is the foundation of the American government.

3. The third part of the document is a copy of the Declaration of Independence, as it was originally written. It is a very important document, as it is the statement of the American people's right to self-government.

4. The fourth part of the document is a copy of the Bill of Rights, as it was originally written. It is a very important document, as it is the statement of the American people's rights.

5. The fifth part of the document is a copy of the Preamble to the Constitution, as it was originally written. It is a very important document, as it is the opening statement of the Constitution.

6. The sixth part of the document is a copy of the first ten amendments to the Constitution, as they were originally written. They are very important documents, as they are the foundation of the American Bill of Rights.

7. The seventh part of the document is a copy of the last seven amendments to the Constitution, as they were originally written. They are very important documents, as they are the foundation of the American Bill of Rights.

8. The eighth part of the document is a copy of the original Constitution, as it was written. It is a very important document, as it is the foundation of the American government.